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Mission News:

In September, the USAID Mission conducted field monitoring of selected projects, and initiated preparations for the end of the calendar year close outs of the successful Judicial Reform Project (JRP), Gobi Initiative (GI) and Growing Entrepreneurship Rapidly Project (GER), which have been running for the past seven, ten and six years respectively. These projects are being allowed to come to their planned end due to recent cut backs in USAID Mongolia's annual budget. However, with the signing a \$285M Millennium Challenge Corporation (MCC) Compact late last year, it should be noted that the overall USG assistance levels to Mongolia are at a high water mark.

Early in the month, USAID Representative Barry Primm, Senior Program Manager Jeff Goodson and FSN Administrative Assistance Narmandal Luvsandagva traveled north to Hovsgol Aimag to meet with the Chief Justice of the court in the aimag capital of Moron regarding the JRP close out; to review the status of USAID funded generator sets provided over a decade ago to the city power plant; to pay a courtesy call on the Aimag Governor; and to locate some heavy road-building equipment donated to Hovsgol National Park by the USG in the late 1990s. En route back to Ulaanbaatar, the travelers also stopped at Erdenet City in Bulgan Aimag to meet with local representatives of the USAID funded GER Project.

Late in the month, USAID Messrs. Primm and Goodson, along with FSN Program Officer Mendsaihan Hasbaatar, traveled to Mongolia's west-central aimags of Bayanhongor, Gobi-Altai, Zavhan and Arhangai to visit project sites. In the respective aimag capitals the USAID group will meet with governors, court justices, local representatives of the Training, Advocacy and Networking (TAN) Project, and local offices of the USDA funded Rural Agriculture Support (RASP) Project and GI. In addition, the USAID group discussed the progress of the Gobi Forage Project with the aimag governors and met with representatives of the Arhangai Veterinary Department to discuss the local component of the UN's FAO and USAID funded Avian Influenza (HPAI) monitoring program.

Program News:

PROGRAM OBJECTIVE: PRIVATE SECTOR-LED ECONOMIC GROWTH

Economic Policy Reform and Competitiveness Project (EPRC)

Chemonics

www.eprc-chemonics.biz

Trade Policy Support

Single Electronic Window for Foreign Trade Facilitation and Zamiin Uud Trans-shipment Center: Working meetings were held with the Consultative Council on Investment Climate and Private Sector Development to develop the agenda for the Oct. meeting. The agenda will focus on the SEW and the Zamiin Uud trans-shipment center with the intent to create separate companies to manage these efforts.

Financial Markets Support

Corporate governance: The project kicked off its corporate governance program with a short term consultancy to assess current Mongolian corporate governance practices and to recommend an implementation strategy and action plan. On 25 September, the project and the Mongolian Employers' Federation (MONEF) organized a workshop for officers responsible for corporate governance compliance at eighteen Mongolian publicly traded companies and is planning a forum of senior executives of thirty leading Mongolian companies to be co-sponsored with the Mongolian National Chamber of Commerce and Industry (MNCCI) and the Financial Regulatory Commission (FRC) on 8 October 2008. The forum is expected to review current corporate governance practices, identify weaknesses and develop an action plan to improve awareness and compliance.

Zamiin Uud Logistics Park: Following up on the feasibility assessment completed in July, and with assistance of an international expert, the project began working on a business plan for the proposed Public Private Partnership (PPP) to build and operate a logistics facility at Zamiin Uud on the border with the People's Republic of China.

Business Development Support

Tourism promotion: On 18-21 September 2008 EPRC assisted Mongolian tour operators and the Mongolia National Tourism Organization (MNTO) in promoting Mongolia at the Japan Association of Travel Agents 2008 Tourism Trade Fair held in Tokyo. Following the trade fair MNTO hosted a reception at the Embassy of Mongolia to Japan for high level representatives of the Japanese external tourism industry. The initial result of the promotion is a number of follow up meetings scheduled for Oct.-Dec. in Mongolia.

Energy Sector Support

Energy sector financial status: The project continues to assist the ERA in implementing the remaining tasks in the approved Tariff Reform Plan in accordance with the schedule.

Competitive electricity market design: The project delivered a draft report entitled “Proposed Competitive Electricity Market Design for Mongolia’s Central Energy System” to the ERA that included the latter’s earlier comments. The project made a presentation on the report to the ERA and the five largest energy entities.

Development of the CHP #5 tender process and documents: The tender was issued via the Mongolian media on 1 August 2008. Proposals are due by 30 October 2008. Approximately twenty companies from China, Japan, South Korea, Turkey, Russia and Ukraine have purchased the tender package. Twenty people subsequently attended the pre-bid meeting 16 September 2008.

Consensus Building, Public Education, and National Dialogue Support

Second program of the Open Government “Facts, Figures and Opinion” series under design: The project finished the script for the second program of the series. The program focuses on recent price increases regarding selected products, along with factors affecting the increase and what can be done to bring inflation under control.

Web access to “Facts, Figures & Opinions” and “Open Talks” TV program series videos: The project began production of 10-14 minute flash video highlights of the *Open Talks* program series to make them available through the *Open Government* and project websites. The last “Open Talks” program entitled ‘Is the Mongolia’s Silk Road fraying’ has been edited and will go into studio production in October. Flash video conversions of the first program of the “Open Talks” series—the December 2004 program featuring the previous Speaker of the House, Mr. Enkhbayar N., and the then Prime Minister, Mr. Elbegdorj Ts—and the first program of the “Facts, Figures & Opinions” series, on Ulaanbaatar heating issues, were completed and are now available on the project website.

Project management

Performance Management Plan: Per a recent contract amendment, EPRC submitted a Performance Management Plan to USAID on 18 September.

FY 2009 project work plan submitted: Per Contract Amendment # 14 that exercised the option to extend the project through 30 June 2011 and the requirement to shift to a fiscal year rather than a calendar year basis for project work plans, the project finalized and submitted the annual work plan for 1 October 2008 through 30 September 2009.

Gobi Regional Economic Growth Initiative (GI)

Mercy Corps

www.mercycorps.org.mn

Sales

The Gobi Initiative uses sales generated from new business activities outlined in the formal business plans developed by its clients as an indicator of success. Total sales for herder and non-herder businesses for September 2008 reached \$384,262, bringing total sales so far for herder businesses in CY2008 to \$1,269,080 and for non-herder businesses

to \$1,394,512. Total sales for CY2008 are now \$2,663,592; still on course to achieve the full year target of \$3.9 million and up 20% over the same period in CY2007 (from \$2,219,565). Average sales per business are also up 19% (to \$8,272 from \$6,980) over the same period in CY2007.

Total sales generated by business clients under the Gobi Initiative Phase II from January 2004 to date are \$11.6 million, which compares favorably with USAID funding for the Gobi Initiative cooperative agreement to date, less sub-grant agreements, of \$5.6 million.

Loans

In September, herder and non-herder clients took out three loans from commercial banks with a total value of \$5,652 for which Mercy Corps provided \$2,022 (36%) in additional cash collateral. A total of 190 loans were accessed by Gobi Initiative clients in the first nine months of the year. In total these loans were worth \$563,196 at an average loan size of \$2,964.

Mercy Corps has thus far provided a total of \$217,895 as additional cash collateral through CY2008. This represents a 39% collateral guarantee against the average loan; significantly down on the 84% average at the start of the program in June 2004. Since the program began, 741 loans have been dispersed with a total value of \$2.01 million. The repayment rate to date stands at 96%.

Market Days/Fairs

During the reporting period, market day events and fairs were organized in all six Gobi aimags in cooperation with the local Aimag Governors' offices, the Standardization and Tax Department, Aimag Food & Agricultural Offices, Chambers of Commerce & Industry and local businesses. The events this year were a great success, attracting large crowds and entrepreneurs from across the aimags. A number of high level visitors attended the fairs including Member of Parliament J. Batsuuri and Small & Medium Enterprises (SME) Technology Specialist N.Bataa from the Ministry of Trade & Industry, who attended the Gobi-Sumber Market Fair. Mr. S. Demberel, President of the Mongolian National Chamber of Commerce & Industry and N. Lhagvaa, Head of the Working Committee of the Mongolian Regional Development National Council, were present at the Uvurhangai Aimag Market Day. Other GOM officials including Aimag Governors and the heads of Aimag Hural attended the Market Days in their respective aimags.

The six events, each lasting up to three days, generated total sales worth MNT 574.9 million (\$497,810) for participating businesses and producers. Of this total, GI clients achieved sales of MNT 128 million, largely from sale of vegetables and dairy products at the fairs. Local producers displayed a variety of aimag-made products including dairy items, bread, cookies and pastries, drinks, vegetables, wool & cashmere, hides & leather products, felt products, wood/metal products, handicrafts, and construction materials. Dairy and vegetable products were in the highest demand and sold quickest.

Across the six market fairs a total of 785 local producers and businesses participated. Most Gobi Initiative clients were represented, promoting and selling their goods and services to the general public and commercial buyers in their aimags and from elsewhere.

Departments of Governors' offices and local banks from all the Gobi aimags promoted their services and loan products to fair-goers too. During the fairs, a variety of public events were organized alongside the sales stalls including elite animal shows, children's quizzes, sports competitions, raffles, training events and concerts.

Mercy Corps Mongolia covered a limited amount of the marketing and promotional expenses related to these events. The percentage contributed by Mercy Corps has fallen over the years. In CY2008, the Mercy Corps contribution was around 15%, significantly down on previous years. Also, local entities and institutions have taken a much more leading role in the organization of the events ensuring their future sustainability.

BDS providers

Local Business Development Service (BDS) providers in all six aimags expressed their interest in continuing to work with the Loan Guarantee Mechanism in 2009 after the Gobi Initiative ends. In order to make this service sustainable, Mercy Corps has selected an initial five providers and signed collaboration agreements with them to do this. Under the terms of these agreements, BDS providers shall select future clients, train and advise them in the development of comprehensive business plans, provide training and technical assistance to them for successful implementation of their business plans and assist them in applying to financial organizations for commercial loans. Mercy Corps will assist the BDS providers through the transfer of these responsibilities and to implement this program successfully in its early stages.

Gobi Forage

Discussions continue with the World Bank around continued funding to establish Gobi Forage (to be renamed Mongol Forage) as a national program - eventually within a national institution.

Rural Business News magazine

Media for Business (MFB) finalized the draft of its contract with the European Union funded Animal Health and Livestock Marketing project. This process included Mr. Markus Ditzges, General Manager of Agricultural Economics Consulting, Göttingen, and B. Batmunkh, CEO of MFB. The contract is to be signed in early October.

Rural Business News (RBN) edition number 63 was printed in September. This edition represents the first issue created by MFB as an independent NGO. The A4 sized, 28-page magazine is host to 13 articles and interviews. Topics explored included 'Directors perform worse when they work as an accountant', 'What is the easiest way to make handmade fodder?', and 'Five things that herders must look out for'. Two thousand copies of the RBN magazine were distributed through Mongol Post's nationwide network and via Xacbank's local branches.

MFB has set up an independent office, located in the Mercy Corps building. The NGO has taken over the radio studio previously run by Pact Mongolia and has employed a part time radio producer. MFB's staff now totals three, including a full time CEO, a part time accountant and the aforementioned radio producer.

Future events

On October 31, GI plans to organize an event in Ulaanbaatar marking the end of the 10-year program. It is envisaged that all current program staff from the aimags and Ulaanbaatar will be invited to attend the event in the capital city to talk about the program's accomplishments and successes, and to discuss future directions. It will be the last event at which all Gobi Initiative staff members will come together under the Gobi Initiative program team.

Growing Entrepreneurs Rapidly (GER) Initiative

CHF International

www.chfmongolia.org

In September, the GER Initiative helped to improve or expand 25 businesses, created 7 start-up businesses, and generated a total of 28 new jobs. Also this month, the GER Initiative matched 90 Ger area residents to jobs.

Financial services

GER facilitated 34 loans valued at \$39,223 with local partner banks, and one USDA-funded Capital Augmentation Fund (CAF) loan of \$391 was disbursed through a local bank.

Training and Consulting Services

GER conducted 33 trainings with 32 clients participating, and 22 consultations were provided to 18 clients.

In Choibalsan, GER delivered computer-based bookkeeping training. Three clients attended the training and with a further follow-up consultancy to each of them, they will be able use MS-Excel for their record keeping.

At the request of the Norwegian Lutheran Mission (NLM), GER provided the “Vegetable Preserving” practical training for NLM’s clients in UB and remote districts of UB, Nalaikh and Bagakhangai. NLM works with low-income, single-mother headed families to help them build skills and improve their livelihoods, teaching them how to process felt and produce felt products and how to grow vegetables to generate family income. A total of 45 clients attended the training and the training at each site lasted six hours. The clients were taught how to make six different types of pickles, jams and dishes using common vegetables and waste parts of carrots and beets that were previously discarded.

GER organized a “Chicken Raising” training for six Ulgii clients from Ulaankhus soum. The training included how to raise, maintain, feed, house, breed and vaccinate chickens. As a part of the training, the clients visited two chicken farms. The technical part of the training was conducted by a GER client, who has his own chicken farm.

GER organized a “Vegetable Preserving” training in collaboration with the “Suman Gun” LLC, which expanded its business as part of a vegetable preserving workshop last summer. “Suman Gun” made an agreement with three GER vegetable business groups to

buy fresh cucumbers that the groups have grown. A total of 27 clients attended the training and they learned how to make 17 different types of pickles and preserves. As a result of the training, the clients will be able to keep their vegetable products for a longer period and also to sell their value-added product at a higher price.

Information Services

GER provided 205 information services to 139 clients during the month of September.

Employment Services

GER matched 90 clients to jobs, and 26 clients graduated from various vocational trainings at partner vocational training centers and large employers such as Solongo, Abuka and UB Carpet. Eight employment trainings were held with four clients. A total of 28 jobs were generated.

GER collaborated with Khan-Uul and Sukhbaatar districts' Labor and Welfare Offices on employment matching and vocational training. This month, at the request of Khan-Uul District's Labor and Welfare Office, GER delivered the "New Start" employment training for 22 unemployed clients registered at the Labor Office. The training lasted 15 hours and covered topics such as the Labor Law, Writing CVs and Cover Letters, Preparing for the Job Interview and Soft Skills.

Darkhan GER organized an "Employment Campaign" in September in order to promote employment matching services for two weeks. During the campaign GER advisors met with the local SMEs, such as "Bulgan Jamgan" LLC, "Darkhan Security" LLC, "Policom" LLC, "Tushig-Uul" LLC, "Urgats Khuns" Bakery, "Golden Pyramid" Construction company, SOS children's organization, "Darkhan Setgemj" Partnership, and "Haraa", "Darkhan" and "Urtuuchin" hotels, and introduced the registered job-seeking clients' CVs to them for consideration. To date, 15 clients were matched to the jobs for the positions of site engineer, accountant, cook, waiter, assistant worker and cleaner.

Linkages and Trade Fairs

GER facilitated linkages between businesses worth approximately \$30,643 this month. New linkage relationships were established with two geology companies; Polo Resources LLC and Khaan Resources Inc.

On September 6th-7th, Darkhan GER organized the "Green Days of Autumn -2008" Trade Fair in collaboration with the Food & Agriculture Department of Darkhan-Uul aimag, Darkhan Soum Governor Office and Ag Bank. A total of 88 businesses participated in the trade fair and 60 of them were GER clients from Darkhan, Orkhon, Khongor, Sukhbaatar and Shaamar soums. During the trade fair a variety of fresh grown and preserved vegetables, and fruit jams were marketed along with berry bushes and trees, dairy products and farm animals. The trade fair is famous among Darkhan farmers and GER has been organizing it annually since 2004. It is very beneficial for the clients, not only for supporting their sales, but also for gaining a lot of experience in marketing and promoting their products. This time many clients washed and packaged their

vegetables for sale, as well as “salad in a bag” vegetables that were washed and sold as a bulk unit, which were in high demand during the trade fair. Total sales income of the clients was \$11,071 and sales orders were \$7,196. The organizers awarded medals and prizes to 25 successful Agriculture business clients of Darkhan-Uul aimag, in the categories of “Best Cattle”, “Healthy Food” and “Golden Autumn”. Twelve GER clients were awarded prizes.

As a new school year starts there is a high demand for flowers. In order to support the flower-growing clients’ business, Bayangol BDC organized a mini flower trade fair in front of Minj plaza in the 3rd and 4th micro district area, where residents have relatively higher buying power. A total of five clients participated and made sales worth \$346.

Business Groups Development

GER worked with 96 active groups this month. No new group was formed and no groups disbanded. “Darkhan Noos Cooperative,” a wool handicraft cooperative completed an order of 100 pairs of wool socks for exporting to the US. The total sales amount was \$991. Erchim, the Erdenet ger rope spinning business group have registered officially as a formal business.

PROGRAM OBJECTIVE: MORE EFFECTIVE AND ACCOUNTABLE GOVERNANCE

The Judicial Reform Project (JRP)

National Center for State Courts (NCSC)

www.ncsc.com

During the month of September, activities of the Judicial Reform Program (JRP) intensified, as counterparts returned from summer vacations and project staff worked to complete all planned activities prior to the scheduled closeout at the end of the year.

Courts

JRP continues to oversee the software upgrades for the “Judge2005” automated case tracking system. These upgrades are designed to harmonize the existing system with newly adopted regulations on statistics and reporting. They will also permit the courts to move from a case tracking application to a more functional management information system.

The Chief Justice and the Director of the General Council of Courts both consider the software upgrades to be among their highest priorities. Having adopted case management and trial court performance standards with assistance from the Judicial Reform Program, they are particularly interested in having software tools which will permit them to manage the courts based on their new standards.

During the month of September, JRP staff and the COP continued to oversee the work of the IT contractor and meet with the working group of users and Supreme Court IT staff

that has been tasked with reviewing the progress of the software development. Demonstrations of the software were scheduled twice, but had to be postponed for technical reasons. Monitoring this process continues to be a high priority, and will be intensified as work progresses.

The JRP-supported manual on Caseflow Management has gone through a final review process, after incorporating a number of changes to content. The manual has been sent to the printer. Two thousand manuals have been ordered, sufficient to provide a copy to every employee.

In accordance with JRP's 2008 Workplan, assistance is being provided to the General Council of Courts (GCC) on developing their new Judicial Strategic Plan 2008-2015. The Executive Director of the General Council of Courts has requested staff assistance in organizing and facilitating a small retreat at the end of September. Two JRP staff members will be fulfilling this request, and are working closely with the GCC.

General Prosecutor's Office (GPO)

JRP continues to support the General Prosecutor's Office in developing its technical infrastructure. Work is progressing with the upgrades to Prosecutor2003, the case management software previously developed and updated by JRP. The current upgrade involves both updates to the case management software, and moving it to a web-based platform which will better serve the needs of the Office throughout Mongolia.

After an August meeting with the Deputy Prosecutor General, the Head of the Policy Planning and Foreign Relations Office, and two IT staff members of GPO, an MOU was finalized along with the specific requirements of the software upgrade. A working group within the GPO of IT staff, users, and key prosecutors has been established, and JRP staff will work to ensure regular updates on progress, and to solicit feedback and suggestions based on demonstrations of prototype software.

Legal Education

JRP has for a number of years supported the development of Otgontenger University as a model law school. JRP helped the law school establish Mongolia's first Legal Clinic – a program where law students, under guidance from faculty, gain practical experience by handling a variety of legal issues brought to the clinic by ordinary citizens. This concept has caught the attention of other law schools, many of which would like to implement similar programs in their own universities.

Responding to this interest, JRP in cooperation with Otgontenger University organized a three-day training conference from September 11-13 on Establishing a Legal Clinic. In attendance were 17 law professors from 12 universities. Each participant received a set of the following publications: *Compilation of the Internal Rules and Procedures of the Legal Clinic*, *Structure and Management of the Legal Clinic*, as well as two training programs for professors and students of the Legal Clinic.

At the end of the training there was a discussion on the outcomes of the conference. Almost every participant praised the value of the training and expressed interest in setting up similar legal services clinics in their own law schools. Additionally, three participants specifically requested follow-up training for their own faculties.

As noted previously, prospects for sustained expansion of the legal clinic concept appear bright. Both the Minister of Justice and the Minister of Education have called for the inclusion of clinical legal education in the curricula of law schools. The National Center for Standardization and Metrology passed a resolution in October of 2007 calling for legal clinics in all law schools, citing the benefits of practical legal experience.

Training

Distance Learning: JRP completed its review of “e-learning” options for Mongolia, and selected “Moodle”, a free, open source software package designed to help educators create online learning communities. <http://moodle.org> As noted in previous reports, web-based training appears to be ideal for a country as large as Mongolia, and could potentially facilitate the adoption of mandatory Continuing Legal Education (CLE) for legal professionals, as well as the ongoing training requirements for judges, prosecutors, advocates, managers and others.

JRP staff is working with National Legal Center training professionals to adapt an existing training program to this web-based platform as a demonstration of the capabilities of the software package.

Video Conferencing: Considerable progress was made toward the goal of establishing video conferencing capabilities between the General Council of Courts (GCC) in Ulaanbaatar and seven pilot regional aimags. Technical questions were addressed and resolved regarding equipment and connectivity infrastructure and monthly costs. Two demonstrations were held with representatives of Mobicom, JRP and the GCC.

The GCC has provided JRP with written assurances that the ongoing connectivity and maintenance costs will be included in the 2009 budget, thus assuring sustainability. Furthermore there will be an unanticipated bonus once the equipment is installed. The fiber optic connections used to set up the virtual private network (VPN) for the video conferencing equipment can also be used for improved email and IT connection speeds. In effect, it will create a Wide Area Network for improved communication among the seven courts selected as pilots for this technology. Eventually, the courts plan to expand the video conferencing capability to all aimags.

Public Education

Television and Radio Productions: One of the most basic prerequisites for the Rule of Law is the understanding and support of the citizens for their institutions of justice. JRP has carried out numerous activities over the years to increase public understanding of justice sector institutions. Among these activities have been radio and television dramas designed to familiarize listeners with the workings of the justice system.

On September 11, the Mongolian National Radio launched a new radio drama series on criminal law and criminal procedure. These JRP-supported radio programs, produced in 15 minute episodes, are broadcast several times a week during both daytime and evening hours.

Posters and Brochures: The Judicial Reform Program has completed all of the educational posters envisioned in its annual workplan. Distribution of these educational materials continues, and this month 400 posters on the Copyright Law were provided to the Agency of Intellectual Property for further dissemination.

The Mongolian Electoral and Parliamentary Support Project (MEPS) ***International Republican Institute (IRI)***

www.iri.org

Asia Pacific Democracy Partnership (APDP) Election Observation Mission's report
IRI is drafting the comprehensive Election Observation Mission (EOM) report which will include an analysis of the delegations' observations and recommendations for future elections. IRI Mongolia staff has been and will continue to provide input into this report. USAID approved a no-cost extension of IRI's USAID grant to allow the office and program to remain open through October 31, primarily to allow for additional time to properly reconcile expenses of the APDP EOM project and finalize the APDP's official election observation report.

The Mongolia Anti-Corruption Support Project (MACS) ***The Asia Foundation (TAF)***

www.asiafound.org

IAAC Institution-Building and Advocacy

During 7-13 September, TAF sponsored Mr. Tony Kwok, ex-Deputy Commissioner of Hong Kong's Independent Commission Against Corruption, to provide technical assistance and consulting to the Independent Authority Against Corruption (IAAC). His visit was highly productive resulting in work plans, key trainings being delivered, and strategies developed for the IAAC.

On September 8th, Mr. Kwok met with the Deputy Commissioner of the IAAC, Mr. Sunduisuren, to discuss a strategy for the press conference to celebrate the first anniversary of the IAAC's start of operations. He also conducted a one-day workshop with the IAAC's Intelligence Group and the Investigation Department to map out how they can enhance cooperation. As a result of the workshop, two action plans were developed for how they can support one another in the future.

Mr. Kwok also fulfilled the second objective of his visit to develop a first-year work plan for the MACS modification. The modification focuses on strengthening the government's capacity to prevent, prosecute and adjudicate corruption cases.

In achieving this objective, he held separate consultation meetings with the Deputy Prosecutor General, Mr. Munkhbat, the Capital City Prosecutor, Mr. Sukhbat, and prosecutors from the Special Prosecutors' Unit of the Capital City Prosecutors' Office that deals with corruption cases. These meetings resulted in ideas for: a computer information system linking the IAAC, prosecutors and the court; professional training; and provision of legal research capability.

Subsequently, Mr. Kwok met with the Chief Justice of the Supreme Court's Criminal Division, Mr. Batsaikhan. Agreements were made to: form a special panel of judges to hear corruption trials; hold a strategic planning workshop together with the prosecutors; and train IAAC investigators. Mr. Kwok also conducted a half-day anti-corruption training for over 100 land officers as requested by Mr. Sandui, the Director of Land Authority of the Municipality of UB.

In addition, TAF met with Mr. Zumberellham, the Legal Advisor to the President, to propose establishment of a Presidential Council on the National Coalition Against Corruption, similar to the K-PACT model in Korea. He expressed interest in the proposal and requested a concept paper.

On June 19th, the Prosecutor General, Mr. Altanhuyag, issued an order to strengthen the enforcement of the prosecutors' code of ethics and discipline and to improve work effectiveness. As of June 2008, the GPO received a total of 15 complaints, 66.6% of which were related to bribery. Among them a prosecutor from Uvurhangai province was convicted of bribery, and was subsequently sentenced to a year and half in prison.

In the news, a city tax inspector found guilty of soliciting and accepting a bribe of 20 million tugriks was sentenced to five and half years in prison. To date, close to two dozen mid-ranking civil servants have been convicted of corruption.

Public Awareness and Education

The fourth phase of the multimedia campaign is focused on increasing awareness of the complaint mechanism process, while encouraging citizens to report corruption. The fourth phase was launched on September 13th with a 30-second TV Public Service Announcement (PSA) that will be broadcast multiple times each day for a month. The PSA is being broadcast in prime time on five television stations, including: Eagle TV; UBS; TV9; NTV; and Mongolian National Broadcasting. The PSA delivers the message: "*Report corruption – Dial 1969; We can stop corruption.*" The PSA educates the public about the complaint handling process that includes: 1) reporting corruption to the hotline; 2) registering it with the corruption reporting center; 3) examining if the information is sufficient for the opening of a criminal investigation; and 4) transferring the case to General Prosecution's Office for trial in court. PSAs are also being aired at the "Tengis" movie theatre for 30 days, and encourage youth and parents to report corruption. Five thousand copies of A1 size posters, 25,000 copies of stickers, and 3,000 brochures on how to report corruption are being published and distributed to government agencies in Ulaanbaatar. Print materials will reinforce TV ads for 30 days by delivering a zero tolerance message, and by promoting the hotline number 1969.

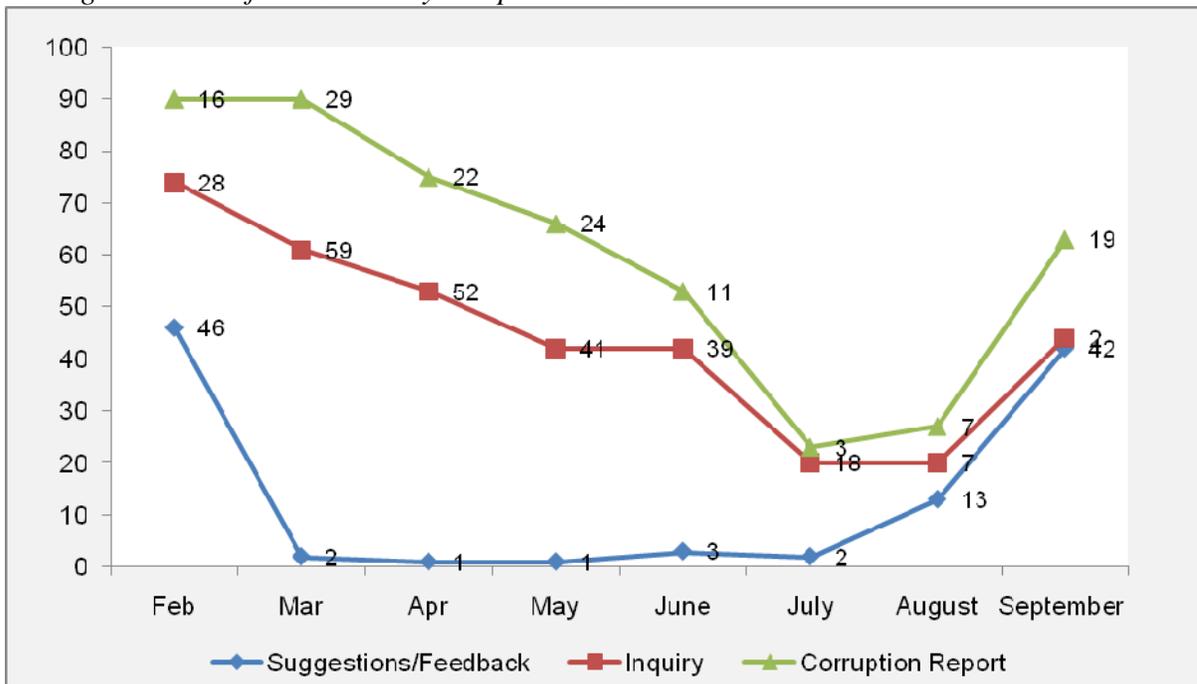
On September 8th, the IAAC organized a press conference in recognition of the first-year anniversary since the enabling legislation was passed that gave the IAAC the authority to investigate corruption. IAAC senior officials discussed their achievements and successes with the media. The IAAC is planning their next press briefing on their Outreach and Education department for late November or early December.

The IAAC officers started their 24-day visit to 9 eastern aimags where they are educating rural people and herders about the costs of corruption, and disseminating brochures on how to report corruption and other information.

Since the launch of the anti-corruption hotline in Nov. 2007, the Corruption Reporting Center has received 2,307 calls of which 148 were corruption reports. In Sept. the Reporting Center received 284 calls; up from 106 calls in August. The IAAC is currently investigating 25 corruption cases, 16 cases are at the prosecutors' office, and 2 cases are waiting to be heard in the courts. To date, 20 cases were adjudicated by the courts.

Reports to the 1969 Hotline

Rolling six months from February – September 2008



Rolling seven months through September

Total suggestion and feedback – 110

Total inquiry calls – 246

Total corruption reports – 131

Benchmarking Survey

TAF finalized data collection for the sixth of its semi-annual corruption benchmarking surveys in September. Preliminary results are being analyzed and will be presented in October.

Donor Coordination

TAF continues to work with the World Bank to enlist and coordinate support for the IAAC.

CENTRALLY (USAID/W) OR REGIONALLY (USAID/RDMA) FUNDED PROJECTS

Eastern Steppe Living Landscape Project - Sustaining Wildlife and Traditional Livelihoods in the Arid Grasslands of Mongolia *Wildlife Conservation Society*

www.wcs.org

Living Landscapes Program (LLP)

Collaborative Wildlife Protection in Numrug Strictly Protected Area (SPA): From September 2-10, 2008, WCS organized a “Wildlife Law Enforcement Training Review” for field staff in the Numrug SPA with participants from both State Border Defense Agency (SBDA) and Protected Area Authority (PAA) personnel. The training review was conducted at the ‘Degee gol’ border post, which is 22 km from the new Nomrug Bridge in Sumber Soum of Dornod aimag. The review was designed to reinforce skills and knowledge and assess the wildlife patrol activities put in place as part of the three-year training program conducted by the WCS Eastern Steppe project. The program has encouraged the SBDA and PAA staff to collaborate on wildlife protection in this unique and bio-diverse region of the steppe.

The training review involved 14 participants (9 border guards, 1 intelligence agent, 2 PAA staff, and 2 volunteer rangers). Instructors included WCS staff, the PAA director, a chief inspector from the State Specialized Inspection Agency and two former training program participants from the SBDA who led the patrol team exercises. The team presented the outputs from the training at the Sumber SBDA Command Center on September 10, 2008. WCS Country Director Amanda Fine, WCS Asia Training Expert Anthony Lynam, and SSIA Senior Inspector Kh. Badam, were awarded honorary medals for their contributions to building the capacity of border guards to contribute to wildlife conservation in Numrug SPA and our ongoing collaboration.

Eastern Steppe Community-based Conservation: From September 12-14, 2008, the WCS Eastern Steppe LLP staff facilitated a “Wildlife Protection Training for Volunteer Rangers.” The Eastern Mongolian Community Conservation Association (EMCCA) hosted the training at the Shazaan Nuur Eco-camp west of Choibalsan in Dornod aimag. A total of 17 participants (10 male, 7 female) attended the training from 5 different agencies and organizations; the EMCCA, Eastern Mongolian Protected Areas Administration, Dariganga National Park, Dornod Environmental Protection Agency and the State Inspection Agency.

Dr. Antony Lynam, WCS Asia Training Expert, taught participants about international best practices, skills in decision making and how to make useful observations about wildlife use violations. The WCS Remote Sensing/GIS Specialist gave lessons on map, compass and GPS (global positioning system) use. Participants also learned how to use cameras and fill out reporting forms when documenting impacts to and use violations of wildlife and other natural resources.

The training culminated with a final exercise where participants used the skills they had learned to find, and document information about, mock camps that depicted illegal wildlife use scenarios. Full sets of equipment (GPS units, cameras and binoculars) were issued to the two top volunteer rangers, and binoculars were issued to an additional two volunteer rangers. This equipment and skills learned will be used for wildlife protection efforts in community managed areas across the Eastern Steppe.

Eastern Steppe Conservation GIS: At the request of the Eastern Mongolian Protected Areas Administration (EMPAA), WCS GIS/RS Specialist Mr. Ochirkhuyag planned and provided a basic introduction to Geographic Information Systems (GIS) and Global Positioning System (GPS) use at the EMPAA headquarters in Dornod aimag from September 15-16, 2008. There were 14 (7 male, 7 female) participants including representatives from the agencies WCS has worked closely with to build a GIS database of the Eastern Steppe which is a critical resource for landscape level conservation planning. Participating agencies included the Dornod Land Agency, Meteorological Department, Environmental Protection Agency, Department of Statistics, EMPAA and Numrog SPA. Open source GIS/GPS software (Diva-GIS and DNR Garmin) was introduced and used in the training which will be accessible to all participating agencies.

Mongolian Gazelle: From September 15-24, 2008, researchers used freestanding drive nets to successfully capture 15 Mongolian gazelles on the Eastern Steppe (Matad soum, Dornod aimag, and Jaran togoon in Sukhbaatar aimag). Each gazelle was equipped with an advanced tracking device, a small (GPS) receiver that is coupled with a satellite transmitter that is fitted on a collar around the gazelles' neck. The GPS collars will allow the team to track the gazelle's movement to better understand the requirements for the conservation of this migratory species. The field team included representatives from all of the collaborating organizations including WCS, Smithsonian Institution, University of Maryland, Mongolian Academy of Sciences, National University of Mongolia, Dornod Veterinary Institute and the University of Massachusetts. The research is currently funded through a grant from the U.S. National Science Foundation.

WCS Field Veterinary Program

Avian Influenza: The WCS avian influenza team completed their fourth surveillance season in September. The fourth season focused on former outbreak zones in Khovsgol and Bulgan aimags as well as sites in Arkhangai. Bird captures continued from late June through early September, to coincide with the periods when waterfowl are moulting and shorebirds are migrating through the country. Intensive capture efforts and mortality surveys resulted in the collection of samples from 1,377 waterbirds. These samples will be exported during October to the United States and Hong Kong for laboratory testing

supported through the National Institutes of Health' CEIRS programme. Results will be shared with USAID mission staff and government partners as soon as they are received.

Throughout the summer the team provided regular updates to the USAID Mission and partners at the State Central Veterinary Laboratory, including reports on five suspicious whooper deaths that occurred at a time and place (Erhel Nuur) where previous outbreaks had occurred. Samples collected from one of these birds were submitted to SCVL and have since tested negative for avian influenza. The response to this incident is illustrative of the close working relationship between SCVL and WCS and demonstrates the value in having experienced staff working in the field.

Our understanding of migratory movements are set to receive a significant boost with the placement of over 550 coloured neck collars on swans and geese. In addition, 250 shorebirds were fitted with colored leg flags and over 1,000 birds received individually numbered metal leg bands. These marking techniques provide the means of identifying individual birds with resightings and recaptures, providing valuable insights into the migratory movements and life histories of Mongolian species. This effort expands upon the success of a pilot marking scheme trialed by the team in 2007 which generated an unprecedented amount of information with observers from China reporting sightings of 21 of 30 neck collared swans marked last year.

The Training, Advocacy and Networking Project (TAN)

Mercy Corps

www.mercycorps.org.mn

TAN Project Concludes

September 2008 marked the end of the TAN project. Civil society organizations (CSOs) in the target aimags have developed their organizational capacity, implemented projects that have significantly benefited their communities, and developed productive relations with local government agencies, both in terms of monitoring the quality of basic government services and by successfully attracting government support for CSO activities, whether in the framework of TAN-funded projects or as part of other activities.

It is the ability to function without international donor support that will ultimately provide for the sustainability of the gains made by CSOs in TAN. The procurement of contracts for social services by CSOs from local government is a key part of this. The following are examples of CSO activities that will continue beyond TAN with local government funds.

Home Visits for Bed-Ridden Senior Citizens in Dundgobi

The Dundgobi Department of Social Welfare and Labor awarded the CSO *Elderly Committee* with a six-month \$5,478 USD grant to implement activities aimed at supporting bed-ridden senior citizens in Mandalgobi city. The Elderly Committee has trained health volunteers who now make regular visits to Mandalgobi's senior citizens, providing quick health checks and offering emotional support to them and their families.

Support to the Elderly in Arkhangai

A very similar project to the Elderly Committee project above was procured by the CSO *We Will Help You* from the Arkhangai Department of Social Welfare and Labor. This CSO has trained 25 caregivers to help bedridden elders in the aimag center of Tsetserleg. The contract is for \$4,870 USD and covers a period of six months.

Support for Vocational Training in Arkhangai

The CSO, the *Information and Education Center (IEC)* in Arkhangai reached an agreement with the Aimag Department of Social Welfare and Labor to carry out vocational training, covering felt making and dairy production, and business training for 40 unemployed people from baghs number two and four in Tsetserleg city. The value of IEC's contract is \$4,700 USD. Project activities will be implemented for a period of six months.

Reproductive Health Training in Uvurkhangai

In Uvurkhangai, the local CSO *Family Welfare Association* signed a \$675 USD contract with the Department of Health to prepare a total of 23 trainers for providing reproductive health training to students in schools in the aimag center Arvaikheer, as well as all 19 soums of Uvurkhangai. The trainer preparation is ongoing. The funds have also helped to cover running costs for a telephone information line that residents can call with questions related to reproductive health. The Family Welfare Center hopes to have its program renewed in the coming months.

Alcoholics Anonymous in Uvurkhangai

Since 2006, shortly after they began working with the TAN project, the Uvurkhangai branch of *Alcoholics Anonymous* has been allocated \$435 USD each year from the Uvurkhangai Citizens *Khural* (parliament) to support their ongoing treatment efforts for alcoholics of Uvurkhangai. This work was inspired by the results of a publication grant from TAN that revealed the extent of the alcoholism problem of Uvurkhangai, and looks set to continue well beyond the completion of TAN.

Employment Agency in Bulgan

Through the employment agency services of the Bulgan branch of the *Youth Association*, 42 people received temporary, part time jobs, while 23 received full time jobs during the summer of 2008. In accordance with their contract with the Department of Social Welfare and Labor, they have so far received approximately \$200 USD.

Employment Agencies in Arkhangai

This year the CSOs *Youth Association* and *Trade Union* established employment agencies in Arkhangai with funding from the aimag Department of Social Welfare and Labor. Since beginning its operations, the Youth Association's employment agency has registered a total of 82 unemployed people, finding permanent jobs for twelve of them and temporary jobs for 28. According to their contract they have received \$175 USD for their efforts. The Trade Union's agency has arranged five permanent and 83 temporary jobs so far. According to their contract they receive \$4.35 USD for each person successfully placed in a job, or \$378 USD in total thus far.

Prospects for the Future

The examples above demonstrate that CSOs understand that they need to do more than simply wait around in hopes of receiving funding from an international donor. They also show that local governments are beginning to understand the benefits of having a capable CSO sector in their aimags. The procurement of services from local government by CSOs has been something TAN has pushed for since its inception. Though it has mostly been in years four and five of TAN that tangible success has been achieved in these efforts, there should be many more such successes after TAN is completed as CSOs and local officials are continuing to search for ways to carry out activities that benefit their communities.

Innovating, Measuring and Promoting Poverty Alleviation by Cooperatives in Transition Societies (IMPPACTS)

CHF International

www.chfmongolia.org

Cooperative Law Working Group

From 31 August to 13 September, IMPPACTS hosted the visit of Ms. Joan Kelly Horn, a former US congresswoman from Missouri. Ms. Horn worked with members of the Cooperative law working group members on planning for promotion and advocacy of cooperative law amendments to Parliament. In addition to meeting with members of the working group, IMPPACTS and Ms. Horn met with two Members of Parliament—Mr. Enkhbold N. and Mr. Enkhuvshin U. Both MPs were very supportive of cooperative development and said that it is time to improve the cooperative legal environment. Mr. Enkhbold N. was recently elected as a Leader for the National United Cooperative Association.

Pig Feed Manual

IMPPACTS received comments and edits from “Altan taria”, VETNET NGO, “Trust Trade” and “Agro Eco” on the pig feed technology manual developed by the Mongolian Pig Farmers Association. The manual will be published in early October and incorporated into future pig farming trainings.

Avian Influenza (HPAI)

UN Food and Agriculture Organization (FAO)

Wild Bird Surveillance Program

The wild bird surveillance program was completed in the 12 project aimags for 2008, and data and reports are being compiled by staff at the Institute of Biology, with the assistance of FAO. A die-off in birds in Uverkhangai aimag has proven to be negative for the avian influenza virus.

The project supplied reagents to the Central Veterinary Laboratory, and the lab is currently analyzing samples taken from wild birds captured during the July-August joint FAO-USGS- US Department of Interior mission on wild birds.

Biosecurity on Poultry Farms

The project is currently conducting a poultry supply chain study, which will be completed in October. The study is characterizing the poultry industry in Mongolia and identifying the stakeholders in input supply, production, processing, wholesaling and retailing, as well as regulation.

The project conducted a two day table-top and practical training for staff from four aimags (Ulaanbaatar, Orkhon, Darkhan and Selenge) on how to manage an outbreak on poultry farms. This built on previous trainings and training of trainer sessions.

The project conducted a two-day training on inspection issues related to AI at Zamiin Ud for staff from Selenge, Bulgan, Khuvsgul, Umnogovi, Dornod, Sukhbaatar, UB, and Zamiin Ud. Participants and trainers came from the Ministry of Food and Agriculture, NEMA, Ministry of Health, National Center for Communicable Diseases, Center for Infectious Diseases with Natural Foci, Customs General Administration, and the Mongolian Border Protection Organization.

Results from testing vaccinated poultry for antibodies have been completed. A report is currently being translated, and initial comment from the lab is that results show immunity is lower than expected. A meeting is planned for next week to discuss the issue.

World Bank Avian and Human Influenza Project

A new World Bank project, with a budget of \$4.66 million and covering Animal, Human and Emergency Management Sectors, was approved on 5 September and a launch workshop was held on 16 September with participants from the key agencies of NEMA, MoH and MoFA as well as donors and UN agencies. The Project Management Office (PMO) has sent a letter to FAO requesting the latter to provide technical assistance to the project. FAO is assisting the PMO with some start up activities, and FAO is also facilitating a smooth transition from the USAID funded AI project to the new World Bank-funded project.